

**Admiral Thomas H. Collins**  
**Houston Maritime Association**  
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**Thank you for your kind welcome. It's a real pleasure for me to be among fellow maritime professionals ... and great friends of the USCG. From my perspective, the Coast Guard and the Houston Maritime Association and the Houston community have enjoyed a solid history of cooperation and mutual interest in all matters involving maritime commerce.**

**Until September 11<sup>th</sup>, that common goal was efficient and safe management of people, cargo and vessels. Prior to the attacks of September 11<sup>th</sup>, the Coast Guard had committed less than 2% of its assets to active port security duty. But everything changed on that horrible day. Immediately, the Coast Guard surged nearly 60% of its assets in direct support of port security. Since then, we have rebalanced our assets to provide roughly 28% to port security. We are learning as we go along. And your active participation in our learning curve has been vital to the process. Thank you for hanging in there with us and being so flexible and understanding as we make changes and adjustments. Every time we tweak the process,**

**my field commanders and I realize the potential impact on you. We are keenly aware that with a security intervention comes the potential to slow down commerce. I'm not here to solicit your support, you've already heartily provided it. I'm here today to thank you for your commitment. The theme of the Department of Homeland Security is "One Team, One Fight." I am told by my Houston-Galveston commanders that you have been on that team from Day One: "Team Galveston Bay." Your long-time participation in the Houston Galveston Navigation Safety Advisory Committee (HOGANSAC) is a evidence of your dedication. Your cooperative spirit easily transformed into the Area Maritime Security Committee. I come here today to thank you, and to outline some of the initiatives we have taken to enhance security while ensuring safe and efficient movement of waterborne commerce.**

**No doubt about it .... we in the Coast Guard have concentrated a great deal of time and effort the last two years on improving Maritime Security. But we have not, and will not, under-invest in the other two legs of our three-legged stool, the Marine Safety and Environmental protection part of our business. All three are critically intertwined, supporting our goal to reduce all maritime risks. Success in all three areas is**

**necessary if we are to ensure our nation's ability, and that of int'l partners, to use the seas safely, securely, fully, and wisely in pursuit of common objectives. But, today, I am going to focus my remarks on security, illustrate how we are building a robust security regime, describe the present state of our regulatory responsibilities, and announce a fundamental change in the way the Coast Guard is structured, which I believe will significantly enhance our mission performance. As my valued partner, I hope you will challenge and explore with me any possible innovation to improve our operational excellence...**

**... For, the business of maritime homeland security truly is an "All Hands" evolution. Clearly, the terrorist threat has changed public priorities when it comes to security measures. I believe it will also change behavior:**

- Our expectation is that the perceived need for a significantly enhanced security and safety culture within the global maritime industry WILL DRIVE accountability, transparency and renewed partnership throughout the system.**

- **Implementation of new domestic and international vessel and port security regulations WILL PROVIDE the initial framework for this security transformation.**
- **Intergovernmental, public-private, regional and international partnerships WILL BE absolutely essential to support that framework and sustain that security culture, and**
- **Transforming the maritime transportation system (MTS) through COLLABORATIVE PARTNERSHIPS has been and will continue to be the key ingredient.**

**I'd like to share with you today how those themes describe my strategy to face the challenges of a bewildering variety of transnational threats that honor no national frontier.**

**This has been quite a demanding year ... I welcome all productive partnerships I can find to share the load! There have been a number of watershed events. First, the Homeland Security Act was passed in Nov 2002. Our subsequent move into DHS on 1 March is part of the largest re-organization of the federal government in 60 years. We expect additional organizational churn, both externally and internally driven, as DHS evolves. Second, we awarded the two largest**

**recapitalization contracts in CG history ... IDS and R21.**

**Third, once President Bush signed the Maritime Transportation Security Act of 2002, within a month we were successful in achieving a companion international security protocol at IMO. As you know, enabling regulations were developed and issued this past October 22 ... the biggest rulemaking the CG has undertaken since OPA 90.**

**In the context of these transformational events, we have worked hard to shape and refine an appropriate MHLSS. Since September 11, 2001, the United States, IMO, and the world have recognized how vulnerable our international systems of transportation and trade are to those who would do us harm. A terrorist incident against our marine transportation system would have a serious and long-lasting negative impact on global shipping, international trade and the world economy. Our ports and waterways also have significant strategic military value, as well. Valuable and vulnerable...these factors make our marine transportation system a high priority in the U.S. security strategy.**

**The Coast Guard's strategic approach to maritime security places a premium on identifying and intercepting threats well before they reach U.S. shores. We achieve this by....**

- (1) Building and administering an effective security regime – both domestically and internationally;**
- (2) Increasing our awareness of all activities and events in the maritime environment;**
- (3) Increasing military and civil operational presence in ports and coastal zones and beyond for a layered security posture; and**
- (4) Improving our response posture in the event a security incident does occur.**

**I'd like to spend some time talking about the first element of our strategy ... building a security regime. Three of the things we are doing to improve our security regime are...**

- Implementing the Maritime Transportation Security Act of 2002 (MTSA),**
- Improving the Merchant Mariner Documentation Program, and**
- Improving the Coast Guard's infrastructure.**

**Terrorist activities and threats, coupled with our own acknowledged vulnerabilities, prompted unprecedented security activities over the past year. The United States, working in concert with our trading partners, adopted a landmark international maritime security regime working with the International Maritime Organization (IMO). This approach helped minimize the potential for a proliferation of differing national security requirements that could have brought maritime commerce to a halt. It also ensured that meaningful security measures would be implemented on a global scale. The IMO adopted amendments to the International Convention for the Safety of Life at Sea (SOLAS) and an International Ship and Port Facility Security (ISPS) Code.**

**As I noted earlier, the Maritime Transportation Security Act of 2002 (MTSA) was also passed. The clear intent of Congress was that it is in the best interests of the United States to implement the security system developed by IMO ... because it contains the essential global elements for enhancing maritime security. Both of these important instruments are major steps in addressing maritime security, and together they form the cornerstone of the nation's maritime homeland**

**security strategy. We all recognize the Best solution to security is an international one.**

**As the lead Federal agency for maritime security, the Coast Guard has developed regulations to implement the requirements of the MTSA, and we will be responsible for enforcing these new requirements. The regulations not only carry out the intent of the MTSA, but also closely reflect the new international requirements. The deadline for plan submittals recently passed on December 31. The implementation date for approved security plans to be in place is July 1<sup>st</sup>, 2004.**

**We recognize that the marine transportation system (MTS) is very diverse, and for that reason these new regulations are performance based. Overall, we have tried to develop a system that mitigates risk, while minimizing negative impact to the MTS and the shipping industry. The Coast Guard set the standard and gave industry the opportunity to define the response. We want a Level playing field. We strive for consistency on three levels – among companies, among states, and among countries. The regulations require the maritime industry to accomplish certain goals, rather than**



**mandating exact methods of increasing security. For example, the regulations require passenger and baggage screening, but do not dictate that a company purchase x-ray machines or metal detectors. Companies may choose the technology or procedures that work best for them. The Coast Guard also accepts alternative security plans (ASP). The Coast Guard has already accepted ASP's from organizations like the American Waterways Operators (AWO) and the Passenger Vessel Association (PVA).**

**Ultimately true Homeland Security will be built on collaborative partnerships like the ones I mentioned and with organizations and fellow stakeholders like you. These rules were not developed in a vacuum. We worked closely with the private sector and sought input from those whom these rules would affect.**

**We realized early on that these new regulations would generate a host of questions and concerns, so we've established a help desk to provide a single point of contact for up-to-date information and guidance in the implementation of these regulations, including the Automatic Information System (AIS) carriage requirements.**

**Since December 31, the Coast Guard continues to receive vessel and facility security plans as required by the MTSA. We have received over 8000 vessel security plans and have begun reviewing them. The plans that have been reviewed, by in large, have complied with the requirements of MTSA. Most of the plans that were returned have been due to a lack of information, which prevents a proper review. We are contacting those companies that have not submitted plans as required. Non-compliance carries potential civil penalties of up to \$25,000 per violation; however, these enforcement actions will be tailored on a case-by-case basis.**

**As I mentioned earlier, the Alternative Security Plan is a quick and easy way to develop a security plan, but the Coast Guard will be ensuring that it is feasible and appropriately implemented on each individual vessel.**

**On the facility side, we have received more than 2500 shore side facility security plans. They will be approved by the local Captain of the Port (COTP) who can ensure security measures are commensurate with risks by taking into account unique local conditions.**

**Overall, we have tried to develop a system which mitigates risk while minimizing negative impact to the MTS and industry. With domestic and international trade expected to double in the next twenty years, the challenge is enormous. Strategies, regulations and plans are fine, but what will you see the Coast Guard doing as a result??? ... more of the same... Working together with industry to increase our awareness of the maritime domain and enhancing our prevention and response operations in this “new normalcy.”**

**Clearly, the terrorist attacks of September 11<sup>th</sup>, 2001, have changed public priorities when it comes to security .... This is particularly true when it comes to the maritime where our “new normalcy” defines systems and infrastructure which can be used as both targets, as weapons, or as conduits for terrorist or other illegal activity. Relative to maritime security, aviation security practices were much more advanced ... largely due to years of terrorist activity in the world’s airports and air space. The exception was cruise ships which had seen terrorist activity in the 80’s. After September 11<sup>th</sup>, came the imperative to identify and reduce maritime security gaps. That is our “new normalcy” and it is essential that we get this right. The challenge is substantial, and we will continue to use a risk-**

based matrix as the model for implementing the security element into our existing Port State Control program. Our port state control program is anchored by 4 cornerstones:

- screening and targeting of vessels, (done pre-arrival)
- onboard verification, (boardings)
- enforcement (control actions), and
- follow-up to ensure accountability of responsible parties.

The port state control program for safety, which includes the contributions of our partners in other like-minded port states, has led to the reduction of substandard vessels arriving in US ports by more than 50%.

We will also screen all vessels for security risks and will board those that pose an unacceptable level of risk. The Coast Guard's enforcement, and follow-up accountability, are paramount to this strategy. When noncompliance is identified, we will act decisively. The Coast Guard can and will use actions such as detention, expulsion from port, or denial of entry when needed. Performance of key entities, including the owner, flag administration and recognized security organization, are tracked and analyzed. Poor performance will be widely publicized, and will result in increased scrutiny.

**Security risk points will be also be assessed in intelligence, and previous port calls ... effectively linking foreign port assessments with arriving vessels. Intelligence is becoming an overlay to the Port State Control screening process... that is, if our intelligence community identifies a vessel as a threat, that will trigger a boarding prior to entry.**

**Another element involves developing boarding procedures, which will include security verification of high-risk vessels, options for vessels in port, and the corresponding inspection checklists that implement the requirements of SOLAS, the ISPS code, and the MTSA.**

**The procedures will include:**

- a check of the vessel's international ship security certificate and related security documents, observing**
- the performance of ship security duties,**
- access control to the ship,**
- the control of embarkation of persons and their effects to the ship,**
- the control of restricted areas,**
- the control of deck areas and areas surrounding the ship,**

- the supervision of cargo and stores loading, and
- observing the availability of security communications.

**The bottom line in the U.S. is a ship won't be able to operate in our waters after July 1st, 2004, without an approved security plan, valid ship security certificates and an onboard security program that complies with the ISPS code and MTSA.**

### **Maritime Licensing and Documentation reorganization**

**Implementing the MTSA security requirements paves the way for additional improvements that will come about through subsequent initiatives to improve Mariner identification credentials and establishing security-training programs. We plan to reorganize the Mariner Licensing and Documentation Program. The reorganization of credentialing functions assigned to the National Maritime Center and the Regional Examination Centers will provide more timely, consistent and secure service to mariners as well as an appropriate level of national oversight and control. Phased centralization of core Regional Examination Center functions such as mariner application evaluation, user fee handling, mariner record**

**management and credential issuance at the National Maritime Center... will result in consistent policy application, enhanced program security, and faster application processing. It will also provide for positive application tracking and records control. Local field commanders will be relieved of Regional Examination Center supervisory duties, which should improve their ability to focus on operational security challenges. Local Regional Examination Centers will remain open for examination administration, course oversight, and direct mariner interactions such as identity verification, fingerprinting and application assistance.**

### **Building the Coast Guard Infrastructure**

**The Coast Guard has always had a reputation for innovation in managing our resources, (I like to call it “managing to adversity”), due largely to the foresight and dedication of Coast Guard people. We must continue to drive toward customer-focused and outcome-based operations, while encouraging our people to identify and embrace innovation and necessary change. We face a daunting array of threats and challenges to U.S. maritime safety and homeland security. Environmental degradation, illegal migration, over fishing, drug smuggling, organized crime and terrorism are serious**

**concerns. The entire range of Coast Guard assets are critical elements in deterring and defeating these threats. To strengthen unity of command and unity of purpose in our port, waterway and coastal areas of operation, I have directed that new integrated operational field units be established throughout the Coast Guard. These new commands – called sectors – will be better matched to current mission challenges, will better align our field operational capabilities, and will improve our mission performance.**

**Since the Coast Guard transferred to the Department of Homeland Security, we have already improved our Coast Guard infrastructure by being more efficient, improving the lines of communication with other agencies, and improving the Coast Guard’s security performance. Realigning our legacy field structure to draw together the full scope of Coast Guard missions, functions and capabilities under a single commander will allow for:**

- 1. A Single commander responsible for accomplishing all missions and exercising operational control of all assets assigned;**
- 2. An integrated command center, providing a common operating picture of the maritime;**



- 3. A single commander serving as the principal CG official to engage intra-DHS and interagency partners, as well as other maritime stakeholders; and**
- 4. A consolidated, integrated administration and logistics focus, emphasizing efficiency and reducing duplication in our attention to these responsibilities.**

**By next month we hope to finalize the number of Sectors (now stands at 37), which for the most part will mirror new COTP zones.**

**In defining the final organizational structure, we will build from our experience in ports like Baltimore, LA/LB, San Diego, New York and Philadelphia, where we have created several integrated command models. This process-based structure facilitates Incident Command System response (ICS), aligns well with the DHS Strategic Goals, and is currently being used as the basis for the new IT Enterprise Architecture. Adjustments will also be considered for our organization to ensure structured alignment between the field and Washington.**

**I realize that some recent changes have been made to better align the structures in NY and Baltimore with the realities of the existing command and control, info, training and support structure, and I would expect that to happen. However, my goal here is a fundamental revision of how we structure service delivery, and how we facilitate that structure.**

**Since September 11, 2001, Coast Guard units in the Houston area have organized under this structure. The Group Commander, Air Station CO, MSO Port Arthur CO, MSO Houston CO, MSU Galveston CO, MSU Lake Charles CO and Vessel Traffic System Houston CO have been operating as a Sector command. My expectation is that the maritime industry reaped benefits from this integration, and I look forward to your comments or questions about this initiative. Your feedback is critical to our joint success. I encourage you to keep the lines of communication open with your local Coast Guard units, remain flexible with us as we institutionalize processes. You have been terrific in responding to the new normalcy, willing and patient as our processes develop and improve. I want to thank you for your patience and for your**

**input. We have been very conscious to ensure direct risk reduction benefits result from our regulations.**

**The “new normalcy” requires the same old thing ... we have a new problem and we will overcome it the same old way...working together as partners. The implementation of the MTSA has worked exquisitely well – because we have a solid tradition of working well together. That is the dynamo that is the MTS ... the power of our partnership. The cooperation at the port and state level has been tremendous. But we cannot let our guard down. No one agency ... no one company... can do this alone. I look forward to the future of continuously improving maritime safety and security, together.**

**I know I can count on the membership of the Houston Maritime Association for your assistance and support and critical advice as we push forward. And you can depend on us to provide a practical, common sense, collaborative approach. I’d be happy to answer any questions you may have for me. Thank you.**